

**BOARD OF FINANCE**  
**SPECIAL MEETING**  
March 29, 2016 7:00 pm  
Town Hall  
**MINUTES**

**Members Present:** Chairman David Scata, Kevin Cwikla, Diane Malozzi, Elizabeth Charron, Meghan Bruce, Phillip Johnson, Michael Nintean (Alternate), and Stephen Salisbury (Alternate)

**Members Absent:** Vin Shea (Alternate)

**Also Present:** Recording Secretary Laurie Bergeron

**A. Call to order** – D. Scata called the meeting to order at 7:00 pm

D. Scata commented that he is still very concerned with what is going to happen with the State and their budget and how it could potentially affect us.

**B. New Business**

**1.** Discuss and act on the use of surplus dollars in the current year for capital items.

Operating budget has a surplus of \$50,000 due to switchboard \$14,000 surplus - tax collector 18,000 plus contingency of \$100,000 as a possible surplus for this fiscal year in addition to Capital \$38,296 which can be reallocated. The BOE will have a surplus but still waiting on the final numbers.

Veronica was asked to contact the Auditor and check to see if we can we transfer surplus from general fund to capital fund but she advised against this without an approved budget appropriation. We could consider putting it in 2017 budget and vote at referendum.

\$182,000 in anticipated surplus plus \$38,000 in capital. M. Bruce asked if we are going to go line by line and discuss or decide which lines will be covered by this \$182,000? Do we want to expand on some of the operating expenses for next year this year? Or do we leave things as is and put into the general fund?

A lengthy discussion ensued as to where the anticipated surplus should be applied. Ie: fire department, public works for paving and building repairs. L. Charron made a point that if we use anticipated surplus this year to reduce taxes for next year, we will just create a problem the following year when we will have to make up that reduction just to stay even with services. She feels surplus could be used for some requests without reducing the overall amount for capital projects. This allows us to get some extra things done that are important.

P. Johnson feels that some of this year's surplus could be used to fund some of the requests for next year. M. Bruce commented that we need as a board to come up with a multi-year capital financial plan. D. Malozzi agrees with M. Bruce – need departments to come to BOF with a projected plan with priorities. Library Building

Project was presented that it would be a projected .4 mil increase. M. Bruce commented that we made assumptions based on the thought that there would be a shovel in the ground by now. Expectation of the townspeople to see some kind of progress.

D. Scata does not feel comfortable cutting from operating budgets. L. Charron has some solid points – hoping that surplus would be able to fund some of the capital requests. M. Bruce can we look at some of the items that we would like to fund with the surplus.

M. Bruce feels that we should be looking at cutting operating budget especially BOE. D. Malozzi leery of the total to give BOE. Hard to give to a plan that you don't know how it will pan out. Not a lot to cut from these departments budgets. We raised contingency last year in anticipation

K. Cwikla all budgets came in reasonable. We could be here indefinitely. Suggests we bring plan to town and see what happens. If they feel it is too high, we come back to the table. If townspeople feel that this is a good plan, then we go forward.

D. Scata - We have a robust fund balance. Feels we should offset some cost factors for next year. L. Charron reiterated the concern of what happens the following year.

We could have an additional \$100,000 going into fund balance with the sale of property for senior housing.

B Petrie mentioned that there were expenses associated with the sale that have been booked to TIP with the expectation that they would be reimbursed. L. Charron suggested we move these expenses to legal and Selectmen budgets and authorize the over expenditure with funds to come from Contingency. This will be added to our next regular meeting.

P. Johnson distributed his work up for discussion purposes as to how to present with a zero increase.

L. Charron supports using surplus but not to decrease 1,000,000 capital since this causes an issue the following year.

Question is going to be do you want your taxes to go up. The only way to support all items before us is to raise taxes. What is the feeling of the townspeople?

M. Bruce we have reallocated some of the projected excess dollars towards specific items still left capital at 1,000,000. Still at a .4. We have an aging community and doesn't feel comfortable with this increase.

S. Salisbury K. Cwikla feel we should bring this to town meeting and see what the community thinks.

L. Charron mentioned the Board of Selectman wanted extra 4 hours for the Building Dept. She proposed shifting the dollars from DPW since shifting dollars really

doesn't make any difference to the bottom line and we shouldn't be micro-managing the budgets.

Not sure we are going to get what we are looking for at town meeting. Don't always get the turnout that we anticipate.

L. Charron would like to suggest that we have this list of what we want to do with surplus. Wait another month and see what transpires before we act. M. Bruce if we find some sort of extraordinary item that would affect financing these items, what is our game plan?

2. Discuss and finalize the Town Budget, Special Funds, Revenue, BOE Budget, and Capital Reserve & Nonrecurring Expenses for the 2016-2017 budget.

Does the BOE have a better understanding of surplus – anticipating well over \$300,000 surplus for the year. Increase for next year takes into consideration this \$300,000 surplus. D. Scata recommends \$300,000 goes into fund balance unless there is a specific item that could be funded with this money. B. Angeli stated that they would plan to use money to get ahead on some of the projects. Anticipate still returning money to town – approx. \$150,000

3. Discuss and act on 2016-2017 budget proposal to go to Public Hearing on April 11, 2016. Liz Charron MOVED to present the 2016-2017 budget proposal: *“Present at Public Hearing on Monday, April 11, 2016 a 2016-2017 fiscal year budget for the Town of Lebanon in the amount of \$ 25,650,444, For the General Town Government, Board of Education, Special Revenue Accounts and Capital Expenditures with Revenue Estimates of \$ 7,457,060. and the remainder to be raised by taxes with an estimated mil rate of 29.1, as outlined in Attachment A.”*  
K. Cwikla SECONDED.

M. Nintean feels we should be looking at a flat budget – senses that is not going to happen – government has to stop spending money. At some point we have to truly start weighing what is needed and what is wanted.

D. Scata cannot see how they can reduce operating expenses anymore. The only increases are truly due to salaries. BOE side if they bring in students, it will bring in revenue. Feels that the funds they are looking for is directly related to bringing in students. Understands the rationale of the BOE with their increase. Does not feel we are in a deficit in this town. Feels we are very healthy.

M. Bruce feels we need to look at things coming down the pike and decisions we have already made and decisions that may come down the pike. Many major town projects coming down upon the townspeople and this is before a 2019 re-evaluation on properties, which, may significantly impact taxpayers. Feels there is still some room to cut on the BOE side.

4 members in favor (Scata, Charron, Cwikla, Johnson); 2 opposed (Bruce, Malozzi). Motion Passed.

**4. Discuss and act on the notice for the public hearing, Attachment B**

M. Bruce MOVED to act of the notice for public hearing, Attachment B. P. Johnson SECONDED. Motion Passed.

**5. Discuss and act on the presentation at the public hearing.**

D. Scata, Meghan Bruce and L. Charron will work on presentation and include questions that were raised during discussions so that people are aware.

BOE will present.

B Petrie requested the opportunity to comment on the budget since the BOE is allowed to discuss their budget.

**C. Adjourn:**

L. Charron MOVED to adjourn at 8:43 pm. M. Bruce SECONDED. Motion Passed.

Respectfully Submitted,  
Laurie J. Bergeron

Please see the minutes of subsequent meetings for the approval of these minutes and any corrections hereto.